

Indiana Office of Energy Development



GUIDELINES FOR THE ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT PROGRAM (Round 2 for Non-Entitlements)

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SUMMARY

The American Recovery and Reinvestment Act of 2009, Public Law 111-5, appropriates funding for the Department of Energy (DOE) to issue/award formula-based grants to states, U.S. territories, units of local government, and Indian tribes under the Energy Efficiency and Conservation Block Grant (EECBG) Program. DOE's authorization for this program is set forth in Title V, Subtitle E of the Energy Independence and Security Act (EISA) of 2007.

Projects under this announcement will be funded, in whole or in part, with funds appropriated by the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, (Recovery Act or Act). The Recovery Act's purposes are to stimulate the economy and to create and retain jobs. The Act gives preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds made available by it for activities that can be initiated not later than June 17, 2009. Due to the schedule of this Funding Opportunity Announcement, this date does not impact activities in the EECBG Program. Accordingly, special consideration will be given to projects that promote and enhance the objectives of the Act, especially job creation, preservation and economic recovery, in an expeditious manner.

Be advised that special terms and conditions may apply to projects funded by the Act relating to:

- Reporting, tracking and segregation of incurred costs;
- Reporting on job creation and preservation;
- Publication of information on the Internet;
- Access to records by Inspectors General and the Government Accountability Office;
- Prohibition on use of funds for gambling establishments, aquariums, zoos, golf courses or swimming pools;
- Ensuring that iron, steel and manufactured goods are produced in the United States;
- Ensuring wage rates are comparable to those prevailing on projects of a similar character;
- Protecting whistleblowers and requiring prompt referral of evidence of a false claim to an appropriate inspector general; and
- Certification and Registration.

These special terms and conditions will be based on provisions included in Titles XV and XVI of the Act. These Special Provisions are located at http://management.energy.gov/business_doe/business_forms.htm.

Recipients of funding appropriated by the Act shall comply with requirements of applicable Federal, State, Tribal and local laws, regulations, DOE policy and guidance, and instructions in this announcement, unless relief has been granted by DOE. Recipients shall flow down the requirements of applicable Federal, State, Tribal and local laws, regulations DOE policy and guidance, and instructions in this announcement to sub recipients at any tier to the extent necessary to ensure the recipient's compliance with the requirements.

Be advised that Recovery Act funds can be used in conjunction with other funding as necessary to complete projects, but tracking and reporting must be separate to meet the reporting requirements of the Recovery Act and related OMB Guidance. Applicants for projects funded by sources other than the Recovery Act should plan to keep separate records for Recovery Act funds and to ensure those records comply with the requirements of the Act. Funding provided through the Recovery Act that is supplemental to an existing grant is one-time funding.

INDIANA

The Indiana Office of Energy Development (OED) is pleased to offer \$4.8M Through the next round of the Energy Efficiency and Conservation Grant Program (EECBG). The EECBG program will provide grants to Indiana's non-entitlement units of local government, cities, towns, and counties for the purchase and installation of energy efficient technology as outlined in this document.

Energy efficient retrofits of existing structures help conserve energy and manage costs. In a time of rising energy costs and increased energy supply volatility, it is vital to our economic future to decrease energy consumption and lower long term energy costs.

The purpose of the Indiana EECBG Program is to assist eligible entities in creating and implementing strategies to:

- reduce fossil fuel emissions in a manner that is environmentally sustainable and, to the maximum extent practicable, maximizes benefits for local and regional communities;
- reduce the total energy use of the eligible entities; and
- increase energy efficiency, reduce energy consumption and reduce energy costs through efficiency improvements;
- create new jobs and increased productivity to spur economic growth and community development;
- leverage the resources of federal, state and local governments, utilities and utility regulators, private sector and non-profit organizations to maximize the resulting energy, economic and environmental benefits.

APPLICATION TIMELINE

Please pay close attention to the dates set forth below. It is important to note that if awarded, the project must begin on or after **5/3/10** and all grant funds must be expended by **12/31/10**.

3/1/10	-Grant Program announced and posted to OED website. -Applicant will have energy audit completed, if necessary
3/8/10	-Applications will be available to start online
4/9/10	-Applications must be received by OED.
5/3/10	-Applicants will be notified of their award or denial via e-mail. <u>Work on the project such as ordering the equipment and getting zoning variances etc. can start at this time.</u>
6/4/10	-Grant agreements will be generated and mailed by this date.
6/18/10	-Signed Grant agreements must be returned to OED.
12/31/10	-Grant funds must be expended and project activities must be completed.
9/30/12	-Grant agreement expires.
10/30/12	-Final report is due.

ELIGIBLE APPLICANTS

Eligible applicants include non-entitlement incorporated units of local government in Indiana. **Applications from the residential (homeowners), industrial, and business sectors are not eligible for grant funding and therefore will not be reviewed or returned to the applicant. In addition, applications from townships and municipal corporations are not eligible for grant funding and therefore will not be reviewed or returned to the applicant.**

Non-entitlement, incorporated units of local government that are located within an entitlement county are eligible to apply for funding through OED as long as the same project activities proposed in their application to OED is not also included in their county's direct funding application to the U.S. Department of Energy. Project activities must be located in Indiana and be associated with local Indiana governments that are not included in the entitlement communities for Indiana. Access the list of entitlement communities at:

http://www.eecbg.energy.gov/downloads/full_allocation_states_and_locals.pdf and by scrolling to page 13 in the PDF document. Please see below for definitions of cities, towns, and counties.

Local Governments

A local government is eligible for funds if the following conditions are met:

1. The government is included in the latest available Census of Governments as a currently incorporated government;
2. The government has a governance structure with an elected official and governing body; The government has the authority to implement the eligible activities under this program; and
3. Units of local government are eligible for grants from the State if they meet the population requirements as outlined below.

Cities

For the purposes of the EECBG Program, “city” includes a city-equivalent unit of local government as defined by the US Census of Governments. For example, a city-equivalent unit of local government such as a town, village or other municipality shall be considered eligible if it meets the required population thresholds. Consolidated city-county governments will be considered as cities. Cities are eligible for grants from the State if they have a population of less than 35,000. In states that have incorporated eligible municipalities (villages) within the boundaries of other incorporated eligible municipalities (towns), the village population will be subtracted from the town’s population.

Counties

For the purposes of the EECBG Program, “county” includes county-equivalent units of local government as defined by the US Census of Governments. Counties are eligible for grants from the State if the county population is less than 200,000. County populations calculated for eligibility for direct formula grants from the DOE do not include the populations of any and all cities within them that are eligible for direct formula grants from the DOE.

A group of eligible units of local governments may choose to submit a single application provided that the application is submitted by a single eligible unit of local government representing the group. The required assurances from the duly authorized official or highest elected official representing each of the units of local government must be provided. Non-eligible entities may bundle their activities with an application from an eligible entity if the eligible entity is willing to accommodate them.

Areas to apply-

The following areas will be evaluated: ability to start project and install within the timeframe specified by this document, environmental benefit, jobs created or retained, energy savings, and energy cost savings. Applications within the same area of interest will be scored against each other. The following Areas of Interest are eligible for grant funding:

- Area 1:** LED Traffic Signal Retrofits and Street lighting
- Area 2:** Lighting Retrofits for Government-Owned Structures
- Area 3:** Structure Retrofits (excluding lighting) for Government-Owned Structures
- Area 4:** Waste water treatment facility energy retrofits, such as variable speed pumps and motor replacement
- Area 5:** Energy Management systems, such as lighting controls, or programmable thermostats

Eligible applicants may apply for multiple areas of interest. Only one application per area per applicant will be accepted. Grantees may not apply for additional funding to supplement any funding previously awarded under this program. Applicants awarded partial funding may not appeal the decision made by OED. The applicant has one week from original notification of award to inform OED of refusal of funds. Failure to notify OED of the refusal of funds awarded within one week of award notification will result in the applicant becoming ineligible for further evaluation of funding for the EECBG program.

COSTS

Equipment and installation costs directly related to the activities described in Areas of Interest 1-5 as well as energy audits are considered eligible expenses. Engineering costs greater than 5% of the total project will not be an eligible expense. As the Indiana Office of Energy Development realizes that local governments are financially challenged in this difficult economic crisis, cost sharing is not required. However, leveraging of funds by grantees is encouraged in order to maximize the total additional energy-related benefits resulting from the program. Grantees must report to OED immediately if their budget changes with a rationale for the change. Eligible costs must be incurred between TBD and TBD time period. **This means that projects that begin before award notification or that will not be completed by TBD are not eligible for grant funding.**

GRANT AMOUNTS

There is a total of \$4.8M allotted to the three areas of interest included in this document. More expensive projects can be funded, but additional costs will not be subsidized. No cost share is required, but OED will consider any overage paid for by the grantee as leveraged funds.

Area 1: LED Traffic Signal Retrofits

- Eligible projects include LED technology to replace inefficient lighting for pedestrian signals, traffic signals, and street lights
- Cap of \$250,000 maximum per applicant.

Area 2: Lighting Retrofits for Government-Owned Structures

- Eligible projects include energy efficient lighting upgrades and lighting/occupancy sensor controls for government-owned structures.
- Cap of \$100,000 maximum per applicant.
- An energy audit is recommended, but not required
- Cost of energy audit can be claimed as an eligible, reimbursable expense.

Area 3: Structure Retrofits (excluding lighting) for Government-Owned Structures

- Eligible projects include energy efficient HVAC, and insulation
- Renewable energy projects are not eligible projects.
- Cap of \$200,000 maximum per applicant.
- An energy audit is recommended, but not required
- Cost of energy audit can be claimed as an eligible, reimbursable expense.

Area 4: Waste water treatment facilities energy efficient retrofits

- Eligible projects include energy efficient pump and motor upgrades, along with new technologies that improve plant efficiency
- Cap of \$250,000 maximum per applicant.
- Be aware that the deadline for completing your project is less 8 months, so put together applications accordingly

Area 5: Energy Management System

- Eligible projects include energy management systems that reduce the use of energy consumed
- Cap of \$100,000 maximum per applicant.

The energy audits mentioned in Areas 2 and 3 are the only item/activity cost that can be incurred prior to award that grantees may claim as an eligible, reimbursable expense if they are awarded. Please be aware that energy audit costs are incurred at the applicant's expense and will not be reimbursed if the applicant is not awarded grant funds. If the same energy audit was used for Area 2 and 3, only one will get funded.

Depending on the quality of the applications received, OED may award smaller grant amounts than expected to projects that fit into the above categories. Grantees must report to OED immediately if their proposed activities, scope, or budget changes with a rationale for the change. It is anticipated that grantees will report for at least 2 years after completion of project installation.

APPLICATION INSTRUCTIONS

Only complete applications will be reviewed. All documents submitted must be received in electronic format. Some documents such as the attachments may need to be scanned and included in the electronic submission. All information requested must be included. The application document will contain additional instructions.

Attachments:

- **Printout of completed EECBG Estimated Expected Benefit Calculator worksheet.** See EECBG application for more details.
- **List of locations for LED traffic signal retrofits** (only if applying for Area 1)
- **Comprehensive list of equipment to be purchased**
- **Literature for selected technology** – Include all pamphlets and technical documents related to the chosen technologies.
- **Copy of energy audit** – if one was performed

*The applicant is responsible for the investigation/procurement of all relevant local permits and zoning permissions as well as any environmental review that may be needed to determine possible harm.

*OED expressly reserves the right to modify or withdraw this request for applications at any time, whether before or after applications have been submitted.

*The applicant is responsible for all costs and expenses associated with submitting this proposal.

Additional information requests

OED may request additional information after submission from an applicant to help evaluate an application. Failure to adequately address the request for additional information will cause OED to score the application as is which will likely result in the applicant not receiving a grant.

NEPA

All projects receiving financial assistance from DOE must be reviewed under the National Environmental Policy Act (NEPA) of 1969-42 U.S.C. Section 4321 et seq.

Historic Preservation (Section 106 Review)

The Section 106 process determines whether a property is historic (one that is either listed in or eligible for inclusion in the National Register of Historic Places) and to insure work doesn't significantly and unnecessarily alter, damage, or destroy both above and below ground historic and/or cultural resources. Federal financial assistance (grants or loans) triggers the Section 106 review. Please see the document entitled "Section 106 Review Process Package" in the area where all the other Indiana EECBG documents are posted for more guidance on further activities possible applicants should take.

Davis Bacon Act

All projects receiving financial assistance from DOE must be compliant with the Davis Bacon Act. Section 1606 of the Recovery Act requires that all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to the Recovery Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. OED will **not** allow EECBG funds that are sub-granted to eligible entities to be used for administrative purposes. OED will sub-contract directly with third parties familiar with Davis-Bacon requirements to monitor wage rates and weekly payroll for grantees.

DUNS Number

If your organization does not have a DUNS number, go to the Dun & Bradstreet (D&B) online registration located at <http://fedgov.dnb.com/webform/displayHomePage.do> to receive a number free of charge or call 1-800-234-3867. Please be aware that this process may take up to 10 days so please do not wait until the application is due to obtain your DUNS.

TERMS

Grants are only available for eligible applicants. OED reserves the right to award none of the funding allotted (**\$0**) to all of the funding allotted (**\$4.8M**), depending on the quality and eligibility of applications. Funds cannot be drawn down until there is an executed grant agreement (contract). **The funds must be used by 12/31/2010. All grants from OED are on a reimbursement basis only. There is no advance payment in this grant program due to the funding source origination.**

Funds may be used in conjunction with other financing programs; however, the Grant funds may only be used for the purchase and installation of relevant equipment and systems covered in the contract. Recipients must disclose all federal awards received per year. Any grantee expending Five Hundred Thousand Dollars (\$500,000) or more in federal awards per year must have an audit made for that year by an independent auditor. Non-profit organizations, institutions of higher education, and local governments should consult the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" for guidance.

GRANTEE RESPONSIBILITIES

Reporting Requirements

Two reports are due each quarter, with a final report due thirty days after the grant's expiration. Quarterly reporting will commence within three months of award. The report will detail activities/results such as timelines, budget information including grant monies received, the items listed below, and a narrative on the project's progress. These results/activities are provided to OED by the grantee in the form of Quarterly Reports which are due to OED. The specifics of reporting timelines and requirements will be explained further in the contract signed by the applicant upon award. The reports will be used to track progress made by the grantee and to report to the U.S. Department of Energy. Please see the table below for a list of potential reporting requirements:

Jobs created and retained
Funds leveraged
Energy saved (kWh)
Cost savings
of buildings retrofitted
of units purchased, by type (lighting units) (use T8 avg)
Methane emissions reduced (tons) (CO2 equivalents)
Reduction in fuel oil consumption (gallons)
Reduction in electricity consumption (MWh)
Reduction in propane consumption (gallons)
Methane emissions reduced (tons) (CO2 equivalents)
Carbon emissions reduced (tons) (CO2 equivalents)
Sulfur dioxide emissions reduced (tons) (CO2 equivalents)
Nitrogen oxide emissions reduced (tons) (CO2 equivalents)
Carbon monoxide emissions reduced (tons) (CO2 equivalents)

A final progress report will be due. This final report will summarize all aspects of the project. Failure to comply with the reporting requirements by report tardiness or failure to provide sufficient information may result in repayment of the grant funds as well as affect the viability of any future applications from the grantee. **Please consider the reporting requirement seriously before application submission to ensure your ability for compliance.**

Reporting will be done electronically and a valid email address is a required attribute of the applicant.

Maintain Communication

The grantee shall maintain communication with the Office of Energy Development for the duration of the Grant Agreement. The grantee is obligated to report any changes in the project scope, budget, installation date etc. with OED as soon as they become aware

of the changes. Failure of the grantee to report any changes in the activities, scope, or budget of their project once awarded constitutes a breach of contract on the part of the grantee and will jeopardize the receipt of grant monies. The grantee shall acknowledge the financial support of OED by displaying the logo of OED on any webpage, media, or printed materials that mention the project.

Site Visits

Grantee shall allow OED to conduct project site visits when given (5) business days notice.

While the above terms and responsibilities are not exhaustive and intended to substitute for the grantee reading and understanding the contract between their entity and the State of Indiana, they are a good example of the kinds of behavior and deliverables expected by OED and the U.S. Department of Energy.

Tax Liabilities

Grantee must be current on all tax liabilities owed to the Indiana Department of Revenue or the Indiana Department of Workforce Development prior to the award being finalized. OED encourages applicants to contact these agencies to determine your status prior to applying.

GRANT APPROVAL

OED administers the Grant Program and will review and score all grant applications. All grant applications submitted will compete against one another for grant funding. If the applicant is approved by OED, a grant agreement will be drawn up in order to establish the terms of the grant and other conditions needed to manage the grant. Please see the above section entitled “Grantee Responsibilities” for further information on terms and conditions needed to manage the grant. Upon award notification, OED expects grantees to immediately begin their project by ordering equipment associated with the project as well as preparing the site of the project and obtaining any relevant permits or variances necessary for project installation to be completed. Do not wait until the executed contract is returned to start project activities as the process can significantly delay your project. Delay in contract execution is not an allowable reason for a grantee’s failure to complete project installation by the deadline stipulated in the contract. Any costs incurred in this period are at the grantee’s risk if the agreement is not signed and returned in this time period, no reimbursement will be made to grantee and all funds will be deobligated. Once returned, the agreement will begin the State signature process, which can take up to 8 weeks for completion. Upon completing the State signature process, the awardee may draw down on grant funds as the project is completed.

CONFIDENTIALITY OF INFORMATION

To the extent feasible and permissible by law, the Office of Energy Development (OED) will honor an applicant's request that confidential information submitted to OED will remain confidential. OED will treat information as confidential only if: (i) the information is, in fact, protected confidential information such as trade secrets or privileged or confidential commercial or financial information; (ii) the information is specifically marked or identified as confidential by the applicant; (iii) the information is segregated and placed in a separate appendix to the application; and (iv) no disclosure of the information is required by law or judicial order. If the application results in award of a grant, the honoring of confidentiality of identified data shall not limit the right of OED to disclose the details and results of the grant to the general public.

INDEMNIFICATION

To the extend allowable by law, Applicant agrees to indemnify, defend, and hold harmless the State, its agents, officials, and employees from all claims and suits including court costs, attorney's fees, and other expenses caused by any act or omission associated with the submission of this application. The State shall **not** provide such indemnification to the applicant.